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On 21 December, a Paris summary civil court -- a court designed to reach speedy judgments in cases where obvious breaches of law have occurred -- decided that the case brought by Bank Markazi against Citibank was too complex to be handled in this type of court. Bank Markazi is seeking court action to force Citibank to release Bank Markazi's \$50 million deposit. The panel of judges hearing the case indicated that any ruling would have to take into consideration issues related to the Articles of Agreement of the International Monetary Fund and the relationship of these articles to the US government action to block Iranian assets. The court advised Bank Markazi that it could take the case before an ordinary civil court, which presumably would be better able to deal with the complex legal issues.

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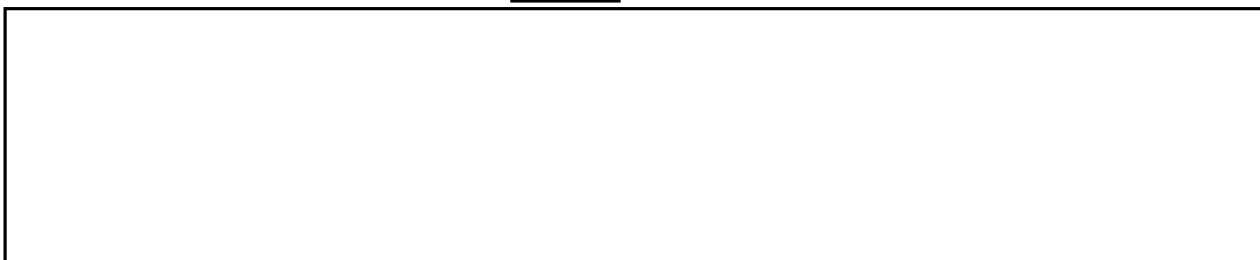
Japan-Iran Relations

After discussions with US officials, the Ministry of Finance (MOF) has recently agreed to:

- Request Japanese city banks not to extend new credit to Iran.
- Offer stronger guidance to Japanese banks on the default issue if European governments take a position in favor of accelerating payments.
- Ask city banks not to open new demand or time deposits for Iran for the time being.
- Request Japanese city banks not to permit, where possible, increases in non-dollar deposits by Iran. [REDACTED]

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In other moves, the Ministry of International Trade and Industry (MITI) announced that the government is screening export insurance on steel, chemical, and textile products bound for Iran on an item-by-item basis. Whether this move reduces exports to Iran depends on how much pressure Tokyo puts on exporting firms. [REDACTED]

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25X1Oil Production and Sales

According to a press release by the Japanese Ministry of International Trade and Industry dated 26 December, the NIOC has lowered its asking price for 1980 contract oil with Japanese firms to around \$30 per barrel compared to the \$35 per barrel price rejected last week by firms in both Japan and the United Kingdom. MITI also reported that the NIOC had offered to supply 13 Japanese firms with 460,000 b/d of crude next year, withdrawing its previous proposal to cut shipments by 25 percent. [REDACTED]

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